

Message Text

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TAGS: EFIS, EC

SUBJ: POTENTIAL 1975 ECUADOREAN SHRIMP EXPORTS TO THE
UNITED STATES

REF: A. STATE 123684 B. QUITO 3702

1. IN VIEW OF DIFFICULTY OF OBTAINING CURRENT, OFFICIAL DATA ON FISHERIES FROM INSTITUTO NACIONAL DE PESCA (FOR SHRIMP, LATEST LANDING FIGURES ARE FOR 1971 AND LATEST EXPORTS ARE FOR 1973), AND IN VIEW OF RELUCTANCE OF INSTITUTE TO GIVE UNOFFICIAL STATISTICS FOR 1974 AND 1975, CONGEN COMMERCIAL OFFICER CARRIED OUT SERIES OF PLANT VISITS AND CONDUCTED INTERVIEWS WITH BOTH FORMER DIRECTOR AND WITH ACTING DIRECTOR OF FISHING INSTITUTE IN ORDER TO OBTAIN BEST ESTIMATE OF INFORMATION REQUESTED IN REF A. FOL IS SUMMARY OF INFO RECEIVED:
2. SHRIMP EXPORT POTENTIAL FOR ECUADOR THIS YEAR IS EXCELLENT AND POSSIBLY HEADED FOR RECORD YEAR, DESPITE NEW GOE REQUIREMENT THAT 20 PERCENT OF LANDINGS BE MARKETED IN-

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TERNALLY. HEAVY RAINS OVER PROLONGED WINTER (DECEMBER-

APRIL) HAVE RESULTED IN VERY HIGH CATCHES IN MAY AND JUNE AND ARE MAIN REASON FOR HIGH DEGREE OF OPTIMISM IN ALL QUARTERS FOR ENTIRE YEAR. AS VIRTUALLY ALL OF ECUADOR'S SHRIMP EXPORTS GO TO U.S., THIS MEANS STRONG DELIVERIES FROM THIS SOURCE FOR NEXT SEVERAL MONTHS. TOTAL EXPORTS FOR 1975 MAY BE 60 PERCENT HIGHER THAN IN 1974, A POOR YEAR FOR LOCAL SHRIMP INDUSTRY DUE TO LIGHT RAINFALL DURING 1973-1974 WINTER MONTHS AND LOW PRICES ABROAD. EXPORTS DURING LAST TWO-THIRDS OF YEAR WERE DISAPPOINTING, FINISHING AT 5.9 MILLION LBS. VS. ALMOST 8.2 MILLION LBS. FOR 1973. MANY FIRMS LOST MONEY IN 1974.

3. JANUARY - APRIL 1975 LANDINGS WERE 10-20 PERCENT HIGHER THAN FOR SAME PERIOD IN 1974, BUT MOST OF INCREASE WAS SOLD LOCALLY AND EXPORTS REMAINED ABOUT THE SAME AS A YEAR AGO AT AROUND 2 MILLION LBS. BEGINNING IN MAY, BENEFICIAL EFFECT OF ABUNDANT WINTER RAINS WAS FELT, AND CATCHES SKYROCKETED WHILE SHRIMP BECAME CONSIDERABLY LARGER IN SIZE AS WELL. RESULT HAS BEEN THAT TOP 4-5 FIRMS HAVE EACH EXPORTED AN AVERAGE OF 120-150,000 LBS. OF SHRIMP IN BOTH MAY AND JUNE, AND WEEKLY CATCHES FOR SEVERAL FIRMS ARE IN THE 20-40,000 LBS. RANGE. BOATS ARE NOW OCCASIONALLY BRINGING IN LOADS AS HIGH AS 3-4,000 LBS., COMPARED TO ONLY 1,500 LBS. A YEAR AGO. QUALITY OF SHRIMP IS RUNNING SO GOOD THAT ENTIRE CATCHES ARE BEING PACKED FOR DIRECT SHIPMENT TO THE UNITED STATES, WITHOUT SETTING ASIDE THE 20 PERCENT FOR INTERNAL CONSUMPTION. BIG PLANTS ARE COMMONLY WORKING OVERTIME, AND OCCASIONALLY ON WEEKENDS, TO PROCESS ALL THE CATCH. COMPANY OWNERS CONFIDENTLY PREDICT ALMOST DOUBLE THEIR EXPORTS OVER 1974. IF TRUE, AND THE TREND CONTINUES INDUSTRY-WIDE (THERE ARE 20-SOME LARGE AND SMALL PRODUCERS IN ECUADOR), TOTAL EXPORTS COULD REACH AS HIGH AS 12 MILLION LBS. THIS YEAR. FORMER DIRECTOR OF THE INSTITUTO NACIONAL DE PESCA, MARIO COBO, ESTIMATES A FLUCTUATING POPULATION OF 7,000 METRIC TONS AND UP TO 9,000 METRIC TONS.

4. FOR THE FIRST TIME, THE "HATCHERIES" OR "POND UNCLASSIFIED

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GROWERS" HAVE ENTERED INTO THE SHRIMP PICTURE IN NUMBERS. THIS YEAR THEY WILL PROBABLY PRODUCE AN AGGREGATE OF 250,000 LBS. THE LARGEST OF THEM, LANGOSTINOS CIA. LTDA, OF MACHALA, PREDICTS EXPORTS OF 180,000 LBS. AND INFORMS OF EXPANSION PLANS WHICH OVER THE NEXT TWO YEARS WILL PRODUCE 400,000 LBS. FUTURE OF THESE EXPERIMENTS IN CONTROLLED PRODUCTION IS UNCERTAIN AND THE IMPACT OF HATCHERIES ON TOTAL PRODUCTION WILL REMAIN

SMALL FOR FORSEEABLE FUTURE. BUT THEIR GROWTH HAS CAUSED A STIR AMONG THE LARGE, TRADITIONAL SHRIMPERS WHO CLAIM THE PONDS PREVENT THE SHRIMP FROM MAKING THEIR ANNUAL RETURN TO THE SEA, AN IMPORTANT PART OF THE REPRODUCTION PROCESS, AND THEREBY WILL EVENTUALLY DESTROY SHRIMP FISHING ALONG THE COAST WHERE THEY ARE LOCATED. BUT THE HATCHERIES HAVE SOME STRONG BACKING, AND IT REMAINS TO BE SEEN IF THE GOE WILL DO ANYTHING ABOUT THEM.

5. MARKETING REQUIREMENTS OF NEW FISHING LAW MEAN THAT FOR FIRST TIME LOCAL PRODUCERS WILL HAVE TO SELL 20 PERCENT OF LANDINGS INTERNALLY. NEVERTHELESS, LANDINGS THIS YEAR ARE EXPECTED TO BE SO GOOD (ONE SOURCE PUTS THEM AS HIGH AS 18 MILLION LBS.) THAT A BOUNTIFUL EXPORT IS STILL ASSURED. MOST PRODUCERS WILL MEET 20 PERCENT REQUIREMENT THIS YEAR, OR AT LEAST COME CLOSE TO IT, WHILE OTHERS WILL PROBABLY FIND SOME WAY TO CIRCUMVENT IT. NORMAL PRACTICE WILL BE TO SELL HEAVILY ON LOCAL MARKET DURING PERIODS EARLY AND LATE IN YEAR WHEN SMALLER SHRIMP ARE HARVESTED, AND EXPORT ALMOST EXCLUSIVELY DURING PEAK PRODUCTION PERIODS IN MID-YEAR WHEN BEST AND LARGEST SHRIMP ARE OBTAINED. IN THIS WAY, 20 PERCENT QUOTA CAN BE MET ON ANNUAL BASIS. ESTIMATES FOR THIS YEAR, HOWEVER, ARE THAT ONLY ABOUT 15 PERCENT WILL REACH LOCAL MARKET. PRODUCERS ARE DISSATISFIED WITH REQUIREMENT DUE TO MORE ATTRACTIVE EXPORT PRICES. ONE MAJOR PRODUCER SAYS HE CAN BARELY MEET COSTS ON LOCAL SALES.

6. IN RECENT YEARS ALMOST ALL OF ECUADOR'S EXPORTS OF SHRIMP HAVE GONE TO THE UNITED STATES. THIS YEAR, THE ESTIMATE IS 95 PERCENT. THE STRENGTH OF THE U.S. MARKET AND THE CONVENIENCE OF RELIABLE TRANSPORTATION ARE THE

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MAIN REASONS FOR ECUADOR'S ORIENTATION IN OUR DIRECTION. PRODUCERS HAVE THE OPTION OF TWICE-WEEKLY SHIPMENTS FROM GUAYAQUIL TO U.S. PORTS AND THE CONVENIENCE AND SAFETY OF CONTAINERIZED CARGO, WITH NEW YORK SEEMINGLY THE MAJOR RECIPIENT. BY COMPARISON, SCHEDULED SAILINGS TO JAPAN, ECUADOR'S ONLY OTHER MARKET OF CONSEQUENCE, ARE USUALLY ONLY MONTHLY AT BEST.

7. COMMENT: PREDICTIONS FOR LANDINGS AND EXPORTS IN 1975 MAY BE EXAGGERATED DUE TO HOPES OF BUSINESSMEN WHO TOOK A BEATING LAST YEAR. HOWEVER, BECAUSE OF EXCEPT

TIONALLY GOOD CATCHES IN MAY AND JUNE, NORMALLY CONSIDERED THE KEY MONTHS IN EVALUATING THE YEAR'S POTENTIAL, THERE IS NO QUESTION THAT THE OUTLOOK IS VERY BRIGHT FOR

THE REMAINDER OF THE YEAR. A REASONABLY CONSERVATIVE
GUESS IS THAT ECUADOR WILL EXPORT AT LEAST 8 MILLION LBS.
OF SHRIMP THIS YEAR AND POSSIBLY 10 MILLION LBS., THERE-
BY EXCEEDING THE RECORD 9 MILLION LBS. OF 1969.
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